



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-898]

Large Diameter Welded Pipe from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2018-2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that producers and/or exporters of large diameter welded pipe (welded pipe) from the Republic of Korea (Korea) received countervailable subsidies during the period of review (POR), June 29, 2018, through December 31, 2019.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: George Ayache, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2623.

SUPPLEMENTARY INFORMATION:

Background

On August 5, 2021, Commerce published the *Preliminary Results* of this administrative review.¹ On November 18, 2021, Commerce extended the deadline for the final results of this review to no later than January 28, 2022.² For a complete description of the events that followed

¹ See *Large Diameter Welded Pipe from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2018-2019*, 86 FR 42779 (August 5, 2021) (*Preliminary Results*).

² See Memorandum, “Extension of Deadline for Final Results,” dated November 18, 2021.

the *Preliminary Results*, see the Issues and Decision Memorandum.³

We are conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Order⁴

The merchandise covered by the *Order* is welded pipe. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed is attached to this notice at Appendix I. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the Preliminary Results

Based on our analysis of the case and rebuttal briefs and the evidence on the record, we made certain changes from the *Preliminary Results*. These changes are explained in the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available. For the final results of this review, we

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review of Large Diameter Welded Pipe from the Republic of Korea; 2018-2019," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See *Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019) (*Order*).

determine that only Hyundai RB Co., Ltd. (Hyundai RB) received countervailable subsidies that are above *de minimis* in both 2018 and 2019. However, because the 2018 subsidy rate is based entirely on facts available, we are applying the 2019 subsidy rate calculated for Hyundai RB to the non-selected companies for 2018 and 2019, as it is the only rate calculated for a mandatory respondent that was above *de minimis* and not based entirely on facts available.⁵ For a list of the 19 companies for which a review was requested, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, *see* Appendix II to this notice.

Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual net countervailable subsidy rate for Hyundai RB and SeAH Steel Corporation. Commerce determines that, during the POR, the net countervailable subsidy rates for the producers/exporters under review are as follows:

Company	Subsidy Rate for June 29 to December 31, 2018 (percent <i>ad valorem</i>)	Subsidy Rate for January 1 to December 31, 2019 (percent <i>ad valorem</i>)
Hyundai RB Co., Ltd.	0.51	0.51
SeAH Steel Corporation ⁶	0.24 (<i>de minimis</i>)	0.24 (<i>de minimis</i>)
Non-Examined Companies Under Review ⁷	0.51	0.51

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*.⁸

Assessment Rates

⁵ See Issues and Decision Memorandum at Comment 7.

⁶ Commerce has found the following companies to be cross-owned with SeAH Steel Corporation: SeAH Holdings Corporation and ESAB SeAH Corporation. SeAH Steel Corporation's subsidy rate applies to each of its cross-owned companies.

⁷ See Appendix II.

⁸ See 19 CFR 351.224(b).

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed for the corresponding time period (*i.e.*, June 29, 2018, to October 26, 2018, and April 19, 2019, to December 31, 2019). For entries made during the gap period (*i.e.*, on or after October 27, 2018, through April 18, 2019), we will continue to instruct CBP to liquidate the entries without regard to countervailing duties pursuant to section 703(d) of the Act. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Instructions

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above for 2019, the second year covered by the period of the review, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review.⁹ For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific rate or the all-others rate (9.29 percent), as appropriate.¹⁰ These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Notification Regarding Administrative Protective Order

This notice also serves as a reminder to parties subject to an administrative protective

⁹ See, e.g., *Honey from Argentina: Results of Countervailing Duty Administrative Review*, 69 FR 29518 (May 24, 2004), and accompanying Issues and Decision Memorandum at Issue 4.

¹⁰ See *Order*, 84 FR at 18775.

order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(a)(1) and 777(i) of the Act.

Dated: January 27, 2022.

Lisa W. Wang,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation Information
- V. Analysis of Programs
- VI. Discussion of Comments
 - Comment 1: Whether the Government of Korea (GOK) Provided Electricity for Less than Adequate Remuneration (LTAR)
 - Comment 2: Whether the Demand Response Resources (DRR) Program Is Countervailable
 - Comment 3: Whether the Discount Electricity Charges for Energy Storage Systems (ESS) Program Is Specific
 - Comment 4: Whether Restriction of Special Taxation Act (RSTA) Article 25(1)(6) Is Specific
 - Comment 5: Whether Restriction of Special Local Taxation Act (RSLTA) Article 57(2) Is Specific
 - Comment 6: Whether to Adjust the Calculated Benefit under RSLTA Article 57(2) to Account for the Payment of the Special Rural Development Tax (SRDT)
 - Comment 7: Whether Commerce Should Calculate Separate Ad Valorem Subsidy Rates for 2018 and 2019
 - Comment 8: Whether Commerce Should Allocate the Benefits of the Busan Investment Promotion (BIP) Fund over the AUL
 - Comment 9: Whether Commerce Erred in Its Allocation Calculation for the 2007 Grant Programs
 - Comment 10: Whether Commerce Should Allocate the Benefits Received Under the Overseas Standard Certification Acquisition Support (OSCAS) Project over Hyundai RB's Export Sales
- VII. Recommendation

Appendix II

Table of Rates for Non-Examined Companies Under Review

Company	Net Countervailable Subsidy Rate for June 29 to December 31, 2018 (percent <i>ad valorem</i>)	Net Countervailable Subsidy Rate for January 1 to December 31, 2019 (percent <i>ad valorem</i>)
AJU Besteel Co., Ltd	0.51	0.51
Chang Won Bending Co., Ltd	0.51	0.51
Daiduck Piping Co., Ltd	0.51	0.51
Dong Yang Steel Pipe Co., Ltd	0.51	0.51
Dongbu Incheon Steel Co., Ltd	0.51	0.51
EEW KHPC Co., Ltd	0.51	0.51
EEW Korea Co., Ltd	0.51	0.51
HiSteel Co., Ltd.	0.51	0.51
Husteel Co., Ltd. ¹¹	0.51	0.51
Hyundai Steel Company ¹²	0.51	0.51
Kiduck Industries Co., Ltd	0.51	0.51
Kum Kang Kind. Co., Ltd	0.51	0.51
Kumsoo Connecting Co., Ltd	0.51	0.51
Nexteel Co., Ltd	0.51	0.51
Samkang M&T Co., Ltd	0.51	0.51

¹¹ As stated in the *Initiation Notice*, subject merchandise both produced and exported by Husteel Co., Ltd. (Husteel) is excluded from the countervailing duty order. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 41540, 41551 n.9 (July 10, 2020) (*Initiation Notice*). Thus, Husteel's inclusion in this administrative review is limited to entries for which Husteel was the producer or exporter of the subject merchandise, but not both the producer and exporter.

¹² As stated in the *Initiation Notice*, subject merchandise both produced and exported by Hyundai Steel Company (Hyundai Steel) and subject merchandise produced by Hyundai Steel and exported by Hyundai Corporation are excluded from the countervailing duty order. *See Initiation Notice*, 85 FR at 41551 n.10. Thus, Hyundai Steel's inclusion in this administrative review is limited to entries for which Hyundai Steel was not the producer and exporter of the subject merchandise and for which Hyundai Steel was not the producer and Hyundai Corporation was not the exporter of subject merchandise.

Seonghwa Industrial Co., Ltd	0.51	0.51
SIN-E B&P Co., Ltd	0.51	0.51
Steel Flower Co., Ltd	0.51	0.51
WELTECH Co., Ltd	0.51	0.51

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